

CITY OF CLEVELAND

REQUEST FOR PROPOSALS

TO PROVIDE AN ANALYSIS OF THE CITY'S CURRENT PROCUREMENT PROCESS, PERFORM A FEASIBILITY STUDY, RECOMMEND SOLUTIONS TO THE CITY'S PROCUREMENT REQUIREMENTS, AND PREPARE THE PROJECT PLAN AND DETAILED FUNCTIONAL REQUIREMENTS FOR AN ONLINE WEB-BASED PROCUREMENT SYSTEM THAT INTERFACES WITH PEOPLESOFT



**Issued By
Department of Finance
Division of Purchases and Supplies**

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BACKGROUND

The City of Cleveland Division of Purchases and Supplies is a division of the Department of Finance. The Division's mission is to purchase in a timely manner all goods and services for the City, of the correct quality and at the lowest possible cost, in support of the mission of the City of Cleveland and in compliance with all Codified Ordinances. The Division seeks to procure quality commodities and services at the lowest possible cost and in a timely manner through effective and efficient competitive bidding, to meet or exceed MBE/FBE goals, to provide a level playing field where all vendors can compete fairly for city business, and to maximize return on the disposal of surplus assets.

The Division of Purchases and Supplies is the central office through which all competitively bid purchases for the City are processed. The Division administers competitive bidding processes for both formal and non-formal bids; develops, implements, and maintains citywide requirements contracts; evaluates and reviews recommendations for contract award; prepares and processes contract recommendations for Board of Control approval; executes competitively bid contracts; processes petty cash vouchers; and disposes of surplus property, real and personal.

The Division of Purchases and Supplies uses PeopleSoft 7.5.2 to process requisitions, create bids, and issue purchase orders. The current system is awkward, fragmented, and complicated. Requisitions are not entered by originating departments, but by the Division of Financial Reporting and Control (FRC), a centralized area in the Finance Department.

Document approvals are all manual, requiring multiple original signatures. Documents

must be manually forwarded to the Office of Budget Management (OBM) for budget checking. Bids are still manually posted on a bulletin board. Bid solicitations are most often faxed out. Only sealed, signed, original bids are accepted. Electronic or faxed replies are not accepted. Most of the work of the division is still very paperwork intensive and usage of technology is far from optimum. There are continuing issues with timeliness, adherence to ordinance requirements, and effectiveness of current policies and procedures.

The Division of Purchasing and Supplies does not currently have a single centralized multifunctional website. Rather, a description of the Division of Purchasing appears at <http://www.city.cleveland.oh.us/government/departments/finance/purchsupl/purchind.htm>. Documents and information are made available both to vendors at a different site: http://www.city.cleveland.oh.us/business_center/businesscenter.html and to City of Cleveland departments at yet another site--an *intranet* site. Information provided is somewhat limited and the sites not very interactive. Customers may not easily and quickly find or respond to the information they need, perhaps due to this fragmentation.

The peculiar design of the City's current procurement policies and procedures is often attributed to ordinance requirements. Although the Codified Ordinances do place very specific demands and strictures, and consideration must be given to updating and changing some outdated ordinance requirements as part of an overall strategy to improve procurement services to the City, much of the work can be done by reinterpreting existing processes through updated technologies without any need for ordinance change.

Internal departments complain about the complicated requirements, the slowness of the process, and their inability to access contract information. Vendors complain about the

confusing paperwork, difficulties in accessing business opportunities, and what they perceive as the overall impossibility of doing business with the city. Charged with the duty to expand competition, level the playing field, and provide more opportunity for MBE/FBE companies, the Division of Purchases and Supplies finds itself without the twenty-first century tools it needs to meet its mandate.

In May 2005, the Division of Purchases and Supplies obtained authorization from City Council to employ one or more professional consultants to analyze the City's current procurement process, perform a feasibility study, and recommend solutions to the City's procurement requirements. The Commissioner of Purchases and Supplies, in collaboration with the Chief Technology Officer, is now issuing this Request for Proposals as the first step in this work.

The intention of this Request for Proposals is to select the best firm of consultants for this work, based upon the merits of their proposal, their professional qualifications, successful previous procurement consulting in the public sector, and ability to deliver results on time and within budget. Additionally, the firm selected is expected to meet, *and strongly encouraged to exceed*, the City of Cleveland's MBE/FBE minimum participation goals of 15% MBE participation and 5% FBE participation.

SCOPE OF REQUESTED SERVICES

The goal of this project is to develop a detailed plan for creating and implementing a functional web-based procurement system that interfaces with the City's financial system. The plan will include the development of complete written functional requirements to enable the City of Cleveland to effectively select and implement a state-of-the-art, online, web-based, procurement system that provides simplified, easy-to-use,

vendor-friendly services, leading to lowest-overall procurement cost and enhanced vendor competition, responsiveness and performance. The system must be tailored to support specific City of Cleveland procurement policies and program requirements (such as the MBE/FBE Small Order Rotation Policy and MBE/FBE Bid Discount Policy) and must provide all necessary data collection and management reporting.

This project will focus on developing web-based services to vendors, moving internal paper administrative processes online, developing effective online management reporting, and tying the system together through the development of an easy-to-use-and-maintain procurement website that leverages technology to maximum effect while enhancing the City of Cleveland's fiduciary control. The design must follow current best practice in public sector procurement. The project must also assess the City of Cleveland's current state of readiness for change and identify specific and realistic action steps to implementation, *including possible recommended changes to bid thresholds and other ordinance requirements.*

The deadline for completion of the project plan and functional requirements is Monday, August 7, 2006. The City then intends to select the system(s) and begin development and implementation during the 2006-2007 fiscal years.

The first major deliverable will be a comprehensive, detailed written requirements document for an online procurement system used by all city departments and interfaced with the PeopleSoft Financial System, and will define in detail all specific functional requirements needed to select and implement an effective procurement module. The second major deliverable will be a comprehensive, detailed written requirements document and detailed design for the website. The third major deliverable will be the project plan for implementation of all necessary changes.

The result will be a complete project plan to develop and/or purchase and implement the above-described web-based procurement system, centered around an easy-to-use-and-maintain website and capable of interfacing with the City of Cleveland's Accounting and General Ledger System (currently PeopleSoft 7.5.2), and providing comprehensive supply chain management services. The design must be realistic and enable the timely gravitation of processes on-line, including planning for the phase-out of both internal and external paper processes, while continuing to allow vendors with little or no PC or web capabilities to participate during a reasonable interim period.

The design must accomplish as many of the following items as can realistically be included, based upon the feasibility study:

Online Vendor Services:

Online Manual: How to Do Business with the City of Cleveland.

Online Vendor Application Process and Forms (i.e. Application & W-9).

Online Minority and Female-Owned Business Certification Application Process.

Post All Bid Opportunities on the Website, Searchable by Commodity Classification.

Automatic Bid Opportunity Email Notifications to Vendors by Commodity Classification.

Review all bid documents completely online.

Bid results downloadable to an Excel Spreadsheet.

Vendors can download all bid forms with instructions.

Online Pre-bid Conferencing.

Automatic E/M Notifications of Addenda.

Online Bid Submissions.

Online Bid Opening and Results Posting.

Online Auctioning of Surplus Materials.

Reverse Auctioning of Select Commodities.

City of Cleveland Online Internal Processes:

Fax Purchase Orders directly from PC's.

All Citywide Requirements Contracts online, including searchable catalogs.

Departmental Requirements Contracts online, including searchable catalogs.

E-procurement contracts for commodities.

Online Requisition submission.

Online Approvals.

Electronic Tallying for Invoice Payment.

Decentralized Purchase Order Creation Against Contracts.

Electronic Invoice Payment.

Internal Policies and Procedures Manual Online.

Manage Small Contract Rotation Process Electronically.

Consider EDI for select contracts.

Online Management Reporting Tools:

Requisition Process Tracking.

Monthly Bidding and Un-awarded Contracts Activity Reports.

Vendor Performance Tracking.

Track vendors in arrears with the city.

Track vendor contract compliance.

Understandably, this preliminary list will evolve as the project takes shape. The resultant project plan must be thrifty, realistic, and achievable within the City of

Cleveland's legal, budgetary, and staffing constraints.

REQUIRED FORMAT AND CONTENTS OF THE RFP RESPONSE

RFP responses must be complete, provide all requested information, address all of the following questions, and be signed by an authorized agent of your company. Responses to questions must be numbered and answers presented in exactly the same sequence as the questions. Responses to questions should be concise yet thorough. The City discourages submission of large volumes of additional material beyond what is necessary to answer each question completely. Omissions or failure to keep to the format may be cause for rejection of the proposal. However, the City of Cleveland reserves the right to waive any informality, to award one contract or more than one contract, or to award no contract. The original RFP response document must be signed and dated on the final page by an officer of the company legally empowered to bind the company to a contract. By submitting a signed proposal, all responders agree to abide by the decision of the City of Cleveland, which shall be final.

OEO/MBE/FBE GUIDELINES

The City of Cleveland sets very high expectations for our business partners in the areas of Equal Opportunity and Minority and Female-Owned Business participation, and the City holds itself to the same standards. The Office of Equal Opportunity Forms (Notice to Bidders and Schedules) which describe these requirements are all downloadable at http://www.city.cleveland.oh.us/business_center/forms/business_forms.asp. All Schedules must be completed, signed, and returned with your proposal. To receive credit, all MBE/FBE firms must be certified with the City of Cleveland. A complete listing of all certified MBE/FBE firms is available at

http://www.city.cleveland.oh.us/business_center/RFP/oeoregistry.asp.

QUESTIONS TO BE ANSWERED

1. Describe your company in detail (its composition, history, and range of services). List all current major projects. Describe the company's future direction and plans, and provide a current customer list.
2. What are your company's unique qualifications for this project? What sets you apart from competing firms?
3. Describe the individuals in your company who would work with the City on the engagement. Attach their resumes. Include their professional experience and their respective responsibilities in the project. State the person who will be responsible for the day-to-day management of your firm's relationship with the City of Cleveland on this engagement. [Note: This person will work directly with and be directly accountable to the Commissioner of Purchases and Supplies.]
4. Provide a detailed profile of your company's financial position and your most recent audited financial statements. Describe any events that may have had a material adverse effect on your firm's capital position since that date.
5. Describe all subcontractors who would work with the City on the engagement. Attach their resumes. Include their professional experience and their respective responsibilities in the project. List all previous engagements where you worked with each subcontractor.
6. How do you plan to meet or exceed the City of Cleveland's MBE/FBE goals? Describe your plans in detail and complete all enclosed OEO schedules.
7. Identify any client relationship your company has with any public or private entity that could be viewed as a definite or potential conflict of interest if your firm were selected to work on this project.

8. Describe any other relationship that could appear to be a conflict of interest if your firm were selected.
9. Is your company or anyone at your company under investigation, or has anyone been notified of any investigation by any federal or state regulatory agency? If the answer is yes, please explain.
10. Describe your company's past experience in analyzing public sector procurement organizations, performing feasibility studies, recommending solutions, designing project plans, and developing functional requirements documents for web-based procurement systems. List all projects completed in the past three years, with brief summaries of each.
11. Provide four references.
 - Three must be for public sector entities for which you successfully performed a project similar in size and scope to this one. The fourth project must be one that was not entirely successful.
 - Describe each project in detail, including scope, time frame and dollar amount.
 - Describe the successful (and unsuccessful) outcomes.
 - Describe what went wrong on the fourth project, how you came to a resolution, and lessons learned.
 - Provide the name and telephone number of a contact at each organization with whom you worked on the project and who agrees to discuss the project with the City of Cleveland.
10. Outline your step-by-step task plan for accomplishing this project. Provide a detailed timeline.
11. Explain your methodology for assessing, monitoring and reporting outcomes of each step before proceeding to the next step of the project.
12. Explain your fee structure in detail and proposed payment terms.

13. Provide a detailed estimated budget for the project. Explain your process for monitoring project budget.
14. Include any additional information that the City of Cleveland might find useful in making this decision.

ADDITIONAL FORMS REQUIRED WITH SUBMISSION

The following forms must be completed and included in the consultant's response to this RFP. Forms are available for download on the City's website at www.city.cleveland.oh.us.

- OEO Notice to Bidders Schedules 1-6.
- Non-Competitive Bid Contract Statement Affidavit for 2006. ***This form must be notarized.***
- Northern Ireland Fair Labor Practices Disclosure.
- Vendor Application Form (if you are not currently a vendor with the City of Cleveland).
- MBE/FBE Certification Application (if you qualify and are not currently certified by the City of Cleveland).

Complete and return a W-9 Form, available at <http://www.irs.gov/pub/irs-pdf/fw9.pdf>

LEGAL REQUIREMENTS

Terms and Conditions, substantially in the form represented below, will be included in the contract between the City of Cleveland and the selected consultant. Please review for compliance. No specific response to this section is required.

General Liability and Automobile Liability Insurance – The successful company will be required to take all necessary precautionary measures and to perform the work required for this professional services engagement in such a manner as to adequately protect people and safeguard property and existing facilities in place from any damage due to operations. Any damage to existing facilities caused by the successful company's operations or equipment shall be satisfactorily replaced or repaired by the company at its own expense within 72 hours of the damaged goods.

- 1) **Insurance Requirements** - The successful company shall purchase and maintain during the term on the engagement general liability insurance including but not limited to personal injury, property damage, contractual liability, owner's and contractor's protective liability and products/completed operations coverage wherein the City of Cleveland is named as an additional insured. Coverage shall protect the successful company and any subcontractor performing work under the engagement from claims for damage for personal injury, bodily injury, including accidental death, as well as for claims for property damages which may arise from operations under the engagement, whether such operations be by the successful responder, or by any subcontractor or by anyone directly or indirectly employed by any of them. An original certificate of insurance and a copy of the additional insured endorsement naming the City of Cleveland as an additional insured shall be deposited with the Department of Finance, City of Cleveland, prior to execution of an engagement. Such documents shall be as to form, coverage, carrier and limits satisfactory to and approved by the Director of Law. The additional insured coverage provided the City under contractor's general liability, notwithstanding other insurance covering the City. The amounts of such insurance shall be as described below. Note: Self-insurance is unacceptable.
- 2) **General Liability** – The policy (ies) shall have limits not less than a combined single limit of \$2,000,000 providing the coverage required in the Paragraph 1) above for

personal injury and property damage per occurrence and in the aggregate including but not limited to contractual liability and owners and contractors protective liability, as well as products/completed operations coverage of \$2,000,000 in the aggregate. Coverage shall not be on a claims made basis. If a deductible or self-insured retention is assumed, it may not exceed \$100,000 per occurrence and in the aggregate. The insurance shall include coverage for damage of property of any nature in the care, custody, or control of the successful company, or any property over which the successful company is directly or indirectly exercising physical control by reason of the work to be performed.

- 3) **Special Hazards** – Business Automobile Liability - The following special hazards shall also be covered during the term of the engagement by rider or riders to the policy(ies) above required, or by separate policies of insurance in amounts as follows:
 - a) Business automobile liability insurance to cover each automobile, truck or other vehicle used in the performance of the contract in an amount not less than a combined single limit of \$2,000,000 for bodily injury and property damage per occurrence.
- 4) **Special Provisions** – The policy(ies) of insurance furnished hereunder shall contain the following special provision: The company agrees that ten (10) days prior to cancellation or reduction of the insurance afforded by this policy, with respect to the contract involved, written notice will be mailed by certified mail, return receipt requested, to the Director, Department of Finance, City of Cleveland.
- 5) **Indemnification** – The maintenance of the insurance required above shall in no way constitute a waiver of the company's legal liability for damages to any adjoining buildings or their contents or the work and property of others on the site beyond the limits of insurance thus maintained. The successful company shall hold the City of

Cleveland, its officers, agents and employees free and harmless from any injury or damage resulting from the negligent or faulty performance by the successful company or his subcontractors.

Contractor's Responsibility to Owner – All work, equipment and manpower necessary for completion of the engagement must be included in the cost quote, at no extra costs to the City of Cleveland. The Contractor shall be responsible for the planning, scheduling and coordination of all work to be performed under this request, and the entire project as a whole, so the engagement will proceed without delay. If, for any reason, a major change in the approved move schedules is anticipated, the contractor shall make the necessary changes to the schedule and resubmit the revised schedule for approval by the designated Department of Finance representative.

Liability, Bonds and Insurance

- 1) **Liability** – The contractor will assume full responsibility for any act of its employees. The contractor is responsible for the safety of its personnel and for assuming the continuing safety of the facility. The contractor is responsible for assuring that all of its personnel, equipment, and materials are in conformance with the Occupational Safety and Health Act and all other applicable State, Local, and Federal laws and regulations.
- 2) **Bonds** – The contractor shall provide any official bonds required, and pay and fees or costs involved to ensure its employees can act in the manner necessary to carry out duties under the contract.
- 3) **Insurance** – The contractor shall, at its own expense, keep and maintain worker's compensation and employer's liability insurance. A copy of the company's workman compensation certificate must be provided before execution of the contract. The contractor shall also keep and maintain comprehensive automobile liability and comprehensive general liability insurance including all hazards and broad form

contractual liability with limits of no less than \$500,000 for each person and \$500,000 for each occurrence and \$500,000 for property damage. In addition, the contractor shall maintain umbrella liability with limits of liability of the \$1-million each occurrence and limits of liability of \$1-million aggregate. Such insurance shall include the interest of the contracting company as additional insured. The contractor shall also show evidence of 3rd Party Dishonesty Bond or Fidelity Bond in the amount of \$50,000 coverage.

- 4) **Subcontractors** – The contractor shall not sub-contract or assign any portion of its work under this contract without the prior written approval from the City.
- 5) **Taxes** – The contractor accepts full and exclusive responsibility and liability for payment of Federal and State payroll taxes and for contributions for unemployment insurance, old age pensions, annuities, retirement, and other benefits, imposed or assessed under any provision of any; law of State or Federal and measured by wages, salaries or other remuneration paid or payable by the Contractor to its employees engaged in the work under this contract or any operation incidental thereto.

Security

- 1) **Limited Access to Buildings/Offices** – The contractor will not permit any individual to have access to any facility assigned under the contract until the Contracting Officer determines that such access is in the best interests of the Contracting Officer.

Criminal Liability – Failure to safeguard any proprietary information that may come to the Contractor or his employees or disclosure of information relating to the services hereunder to persons to authorize to receive it may subject the Contractor to criminal liability. Additionally, criminal proceedings will not preclude the Contracting Company from pursuing civil action against the contractor.

REVIEW AND SELECTION TIMELINE

Post RFP on City of Cleveland website on Wednesday, December 21, 2005.

There will be a **Mandatory Pre-Proposal Conference** on Thursday, January 5, 2006, at 10:00 AM in Room 6 City Hall. **Proposals will not be considered from non-attendees, nor will non-attendees receive addenda.**

Please RSVP names of representatives who will attend to GBryant@city.cleveland.oh.us by Wednesday, December 28, 2005 at 12:00 noon.

Deadline for submission of written requests for clarification, via email, is Friday, January 13, 2006, at 12:00 noon. A written response will be sent via email to all conference attendees by 5:00 on Friday, January 20, 2006.

Deadline for submission of sealed proposals is 12:00 noon, Monday, January 30, 2006.

The City of Cleveland, Division of Purchases and Supplies, in collaboration with the Office of Information Technology Services, will review the responses to this Request for Proposals and select a firm or firms for interviews during the weeks of February 6 and 13th, 2006.

Interviews with the finalists will be held the week of February 20, 2006.

The finalists will have one week to submit any additional information requested as a result of the interview.

Final selection will be made on or before Friday, March 3, 2006.

Contract Award will be made in late March, 2006, with a target project commencement date of Monday, April 3, 2006.

The deadline for submission of completed project plan, both functional requirements

documents and final report is Monday, August 7, 2006.

WHERE TO DIRECT YOUR RESPONSE

Please submit one (1) original, eight (8) copies, and one CD-Rom of your complete RFP Response by 12:00 p.m. on Monday, January 30, 2005, in a sealed envelope, plainly marked "RFP for Citywide Web Procurement Project" to:

City of Cleveland
Division of Purchases and Supplies
ATTN: James E. Hardy, C.P.M., Commissioner
Cleveland City Hall, Room 128
601 Lakeside Avenue
Cleveland, Ohio 44114

LATE SUBMISSIONS WILL NOT BE OPENED OR REVIEWED.

Contact Commissioner Hardy at (216) 664-2629 OR email him at jhardy@city.cleveland.oh.us if you have any questions.